



COLUMN ONE : The Travels of Hazel O'Leary : The globe-trotting energy secretary's big entourages, luxury jet trips and length of time spent abroad have raised eyebrows--and hackles. She says her missions bring valuable trade ties.

BY ALAN C. MILLER AND DWIGHT MORRIS

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TIMES STAFF WRITERS

WASHINGTON — The United States has had globe-trotting presidents and secretaries of state, but never a globe-trotting Energy secretary. Until now.

In her three years running an agency traditionally preoccupied with the nation's domestic energy programs, Hazel O'Leary has begun to distinguish herself for her ventures abroad--and for the sheer scale of them.

Most heads of Cabinet departments such as Energy spend their time in Washington and on periodic trips to field operations around the country. But even as her department faces substantial budget cuts and layoffs at home, O'Leary has set her sights on more distant horizons.

Already, she has taken 16 trips to destinations ranging from India to Russia and through the capitals of Europe--and spent a total of 130 days overseas. Her international travel far exceeds any of her domestic Cabinet colleagues' and represents more than half as much time as Secretary of State Warren Christopher has logged conducting U.S. foreign policy.

And where O'Leary goes, she goes in style--with lots of company.

On a weeklong visit to South Africa in August, O'Leary took along 51 department employees, plus an entourage of 68 business executives, academics and others. They flew on a luxury jet occasionally used by Madonna. Photographers and video crews were hired to follow along and shoot the highlights. The cost to taxpayers: \$560,000.

In June, she went to Costa Rica to sign an agreement on greenhouse gas emissions. The traveling party numbered 14, including her large advance team. The stay was five days.

This is a portrait of a public official working hard, advancing a sweeping policy portfolio, according to O'Leary. Her department "has a broad mandate and from its inception has had responsibility for representing the United States government internationally," she said in an interview.

But the prodigious travels, reflected in expense records obtained by The Times, are an example of a management style that is attracting attention on Capitol Hill and elsewhere in Washington. She has already been criticized by members of Congress for her department's hiring of a private firm to track and rate how different news reporters were covering her agency.

But even inside her own department, O'Leary's largess has some officials wondering. In what are supposed to be lean times, the Energy Department has a sizable internal public relations shop supplemented by more than \$50,000 annually in outside contracts for monitoring O'Leary's public profile and energy issue coverage.

It has also added a costly new position--"departmental conflict resolution ombudsman." The job went to a Newark, N.J., school worker who is a longtime friend of O'Leary's. The woman receives \$93,166 a year plus a generous living allowance. She accompanied the O'Leary entourage to South Africa.

O'Leary was a Minnesota utilities company executive and affluent in her own right when President Clinton appointed her in 1993 to head the relatively low-profile agency. Increasingly, some are wondering whether, even after three years in office and despite previous government experience, she has fully made the transition from the four-star perquisites of the corporate executive suite to the more modest limits of the public payroll.

Question of Ego

Sen. Harry Reid (D-Nev.) goes further. "She is only interested in self-aggrandizement. She's compromised the entire department for personal gain and ego," he said.

O'Leary, a proud and tenacious defender of her record, bristles at such talk.

"That's so patently silly," she said in an interview Friday. "Anyone who knows me well knows I am without personal ego. . . . I see a leader of an organization representing the substantive work of the organization."

O'Leary and aides describe her foreign travel as vital and backbreaking work that advances U.S. interests, including promoting nuclear nonproliferation, safeguarding nuclear materials in the former Soviet Union and expanding American business opportunities. They also maintain that the department has a broad international mandate and that O'Leary has never gone overseas without a White House request or a foreign invitation--and that she turns down most that she receives.

Indeed, other Energy secretaries have traveled abroad. But not this often and not the way O'Leary has. The large costs, the rock-concert-tour-size traveling parties and the time spent are hard to accept for skeptics more accustomed to a dowdy department that tends nuclear weapon factories and dump sites.

Several House committees and the General Accounting Office, an investigative arm of Congress, are examining the secretary's records. Republican lawmakers who want to dismantle the Energy Department are citing O'Leary's activities to bolster their case.

'Trade Missions'

According to the documents obtained by The Times under the Freedom of Information Act and from other sources, the trail of big-ticket expenses O'Leary has

left is remarkably far-flung and varied.

Among the most conspicuous are four overseas “trade missions” that O’Leary has led—notable in part because trade is usually the primary province of the Commerce Department.

Her missions visited India, Pakistan, China and South Africa, and cost the government \$720,000, \$500,000, \$845,000 and \$560,000, respectively. In addition, former Undersecretary William H. White led others totaling \$405,000.

The chief purpose of the first three O’Leary missions was to give American energy executives special access to high-placed officials of foreign governments and to pave the way for lucrative business deals.

Delegations of 40 to 75 private citizens participated in each. And there is no doubt that some benefits accrued; many of those aboard later offered glowing testimonials about the trips’ value.

But the arrangements, the amenities and who picked up the bill were beyond the standards of government-issue productions.

A plane once owned by MGM Grand Air, a favorite of rock stars and royal families, was leased to fly the trade missions to Pakistan, China and South Africa. It features spacious leather swivel seats, staterooms, a stand-up bar and food cooked on board.

“We were literally chartering the lifestyles of the rich and famous,” said Janice Faia, who was reservations manager for MGM Grand Air, referring to the company’s clientele. The plane cost for the Pakistan trip alone was \$415,000.

Thirty to 51 Energy Department staff members went along on each of the missions, all expenses paid, including a retinue of O’Leary assistants, schedulers, security officers and advance teams—some of whom were on scene as long as a month ahead of time.

Energy Department officials defended the need for the luxury jet, which was much more expensive than flying commercial. “Scheduled airlines do not offer the needed working space for the delegation while en route,” according to an Energy Department memo. An Energy Department spokesman said the plane was the low bid for the trips.

And O’Leary said she needed to travel with so many aides because her responsibilities and the trip itineraries were so broad.

“I’m the only person in the Cabinet who brings together the substantive pieces of energy and the environment,” O’Leary said in the interview. “Add to that our national security mission. So when we hit the ground, I’m doing more than a simple, single mission.”

Unpaid Bills

But department officials concede there were cost problems—particularly in getting the executives to pony up even their minimal portion of the expenses. Because of logistics mistakes on the India trip, the department could bill them the equivalent of only a \$2,800 coach fare—rather than the prorated \$12,860 actual cost. And 21 of the 44 executives never paid even that nominal amount—a \$40,000 debt that the Energy Department’s lawyers have concluded is probably uncollectable. For the Pakistan trip, the unpaid bills exceed \$35,000.

O’Leary strongly insists the missions still paid off richly.

Last month, she told a House hearing that, in India alone, “U.S. businesses have signed the contracts for over \$10 billion worth of energy services or manufacturing in the times that I have been there.” The department has also cited a total of \$19.7 billion in business generated.

This month, Energy Department officials revised that significantly downward: For all four missions together, the total figure for projects reaching “final closure or announced sales” was closer to \$1.4 billion. At the same time, they said that “the missions have set in place a process that could achieve a dollar value of \$19.7 billion.”

That’s a big maybe, experts note. In most cases, the nonbinding memorandums drawn up are merely “expressions of goodwill, statements of what both parties expect to happen,” said Michael Czinkota, a Georgetown University business professor and former Commerce Department official. “But you’d have a heck of a time enforcing them.”

In some instances, the genesis of the deals date to before the trade missions. And the largest single deal that the Energy Department cites, a \$2.8-billion power plant project in India, also has been claimed by Commerce Secretary Ronald H. Brown as his achievement.

Viewed most skeptically of all was the mission to South Africa. O’Leary said South African President Nelson Mandela “personally asked me to come to South Africa and bring with me business people and experts who understood how we could help South Africa privatize its energy industry.”

Senior Energy Department officials acknowledge that any agreements arranged were modest. But O’Leary said the trip’s overall contributions to South African society were so extensive that they could help determine “whether the country is going to survive.”

Among those accompanying O’Leary, at government expense, were several black community members whose roles were not directly energy-related, including former astronaut Mae C. Jemison and the presidents of Morehouse College and Florida A&M University. Energy Department officials insisted that they were not merely celebrity tag-alongs but that Jemison spoke in schools and townships and the college presidents pledged assistance on educational and exchange programs.

A department trip to China also stands out. Unrelated to energy at all, the occasion was the U.N. Fourth World Conference on Women. O’Leary did not attend, but the Energy Department sent a contingent of six, costing \$39,000.

The justification for some of O’Leary’s international travel is not disputed, although the frequency, length and entourages are.

She has traveled five times to Vienna and Paris to attend meetings of the International Atomic Energy Agency and the International Energy Agency. She also visited Russia four times for meetings held under a bilateral U.S.-Russian commission.

John S. Herrington, who served four years as Energy secretary under President Reagan, recalled that he also went to meetings like these but otherwise traveled infrequently overseas.

Large Entourages

“There had to be a connection between the foreign travel and an energy issue for the United States,” Herrington said. He added that he generally traveled with only one or two aides and a few security guards.

In contrast, after an IAEA conference in Vienna in September, John B. Ritch III, a U.S. diplomat there, complained in a cable to the State Department that the O’Leary-led entourage was so large that it “exceeded thermonuclear critical mass” and undercut the U.S. message of fiscal austerity.

In a recent appearance before Congress, O’Leary defined the Energy Department’s main missions as managing and dismantling the nation’s nuclear weapon stockpile, cleaning up nuclear manufacturing sites and encouraging research. The department’s facilities are in the United States—more than 100 sites in 35 states. The department

also manages 27 national laboratories.

International programs amount to a small percentage of the Energy Department's overall \$17-billion budget. But when asked about O'Leary's travels, a senior aide provided a different assessment of the department's priorities: "The international work is the most critical work that we do."

Some others familiar with the department explain the situation otherwise. "O'Leary sees foreign travel as the reward for all the hard work she does," said one source who demanded anonymity.

In her congressional testimony, the secretary boasted that the department was ahead of schedule in adjusting to the new budget constraints. It has cut its work force by nearly 800, to 19,399, and reduced its contract employees. And in her own accounts O'Leary recently reimbursed the government \$8,748 for disallowed air-fare upgrades and \$450 in dry-cleaning bills for herself and aides--expense mistakes she attributed to staff or accounting system errors.

But critics eye the huge public relations machine in her department and suggest that she is still spending frivolously.

The Energy Department has a public affairs staff of 51 in Washington and about 74 in satellite offices--proportionately more than other comparable Cabinet departments. There also are about 14 employees assigned to handle O'Leary's invitations, travel and meeting preparation. The department has two other contracts with private companies to track media stories about the agency and energy.

Republican lawmakers have charged that it's all about polishing O'Leary's image. As evidence, they cite a consultant's plan, submitted in 1993, for an elaborate media campaign so that people "will know who the secretary is and will believe she's doing good for the public."

O'Leary and other Energy Department officials say this plan was never implemented.

"Those people who know me well know that I don't like public attention, and anyone who thinks that I sought it personally, as opposed to sought it on behalf of the Department of Energy, does not know me or my character at all," O'Leary told lawmakers last month.

Senior officials emphasize that the public relations employees have a wide range of important responsibilities, including responding to public inquiries about sensitive nuclear issues. They said staff cuts are planned.

Ombudsman Hired

O'Leary has also created a position to meet another perceived need. After she became Energy secretary, she hired social worker E. Shirley Thomas, a close friend for 34 years, to be the department ombudsman. This is not a common position at federal agencies.

O'Leary said she had inherited "a dysfunctional department" with many personnel problems and that Thomas was "well qualified" to help improve internal relations and morale. In addition to her salary, Thomas receives a living allowance at the rate of \$12,700 per year while she remains on leave from her Newark school job.

Thomas declined comment. But Energy Department officials said they now plan to review the allowance.

Herrington, the former secretary, says the department already had a conflict-resolution process.

"Those matters are properly addressed to the inspector general of the department, an independent body reporting directly to Congress, and to investigative staffs of both the House and Senate or to a personnel office in the department," Herrington said.

“You also have strong grievance systems in the federal employee unions.”

Times researcher Murielle E. Gamache contributed to this story.

* O'LEARY SEEKS REVIEW: O'Leary asks for an independent study of her actions.

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(BEGIN TEXT OF INFOBOX / INFOGRAPHIC)

O'Leary's Travel

Energy Secretary Hazel O'Leary's foreign trips:

Bold (*) type indicates official trade missions

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Date Destination No. of staffers June 1-5, 1993 Paris 3 Sept. 24-Oct. 10, 1993 Vienna/Moscow 17 Oct. 23-26, 1993 London 12 Dec. 12-17, 1993 Moscow 3 Feb. 5-8, 1994 Abidjan, Ivory Coast 6 July 7-15, 1994 New Delhi/Bombay* 30 Aug. 31-Sept. 5, 1994 Brussels 5 Sept. 16-25, 1994 Vienna/Islamabad* / 48 Lahore, Pakistan* Dec. 12-19, 1994 Moscow/Stockholm 13 Feb. 9-25, 1995 New Delhi/Hong 53 Kong/Shanghai/Beijing* May 17-28, 1995 Paris/Baku, 27 Azerbaijan/Florence June 7-11, 1995 San Jose, Costa Rica 14 June 27-July 2, 1995 Moscow 11 Aug. 18-28, 1995 Cape Town, South Africa* 51 Sept. 13-20, 1995 Prague/Vienna 18 Nov. 29-Dec. 7, 1995 Pretoria, South Africa 17

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Source: Department of Energy travel records

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Airline Upgrades

Energy Secretary Hazel O'Leary upgraded her airline tickets on the following trips. An internal audit found that \$8,748 of the upgrades for seven trips was not permitted under federal travel guidelines. O'Leary reimbursed the government Nov. 28. She said internal audits and controls had failed in these and other instances.

Shaded (*) items rejected after audit

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Date Destination Class Upgrade cost Feb. 3, 1993 New Orleans First \$548.00 *June 1, 1993 Paris Business \$2,591.55 *Sept. 24, 1993 Vienna/Moscow Business \$1,527.85 *Oct. 3, 1993 San Fran., Chicago, D.C. First \$749.70 *Oct. 22, 1993 Chicago/London, D.C. Business \$2,847.00 Aug. 31, 1994 Brussels Business \$1,140.55 *Sept. 16, 1994 Vienna Business \$200.00 *Feb. 2, 1995 New Dehli/Hong Kong Business \$1,852.90 *May 17, 1995 Paris Business \$708.67 Total upgrades \$11,618.22 Amount allowed \$2,870.72

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Source: Department of Energy

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